



John Feltman  
Queens Retail

December 22, 1997

To: Mark Young

Subject: Ride-With Doug Shouse

Dear Mark,

***Topline review of ride-with on 12/18 with Doug Shouse:***

- Noted strong availability of new salem box styles in all calls, with a couple of exceptions, mainly stores (low volume) that a T/R had not been there yet ( info taken and communicated to the appropriate rep).
- Level of retailer confusion remains high in most calls visited. Retailers still unaware of differences between Box styles and soft and what style salem should they be offering the Salem franchise smokers if they ask for a pack of Salem.  
*I explained the differences in each store to try and minimize this confusion, while after getting their acknowledgement of what was just explained to them, asking the retailer at that point to confirm with me "their" understanding of the differences just outlined to them (seemed effective).*
- Had the opportunity to visit a few of the previously identified "Green Zone" co-op buydown locations, already in place and running. Doug felt reassured with some of the positive feedback these retailers were conveying to us. How the retailers "regulars"(Newport smokers) were taking the retailers word for it and trying the box product, "liking it" and coming back for more, especially @ the \$2.00 price point! (multi-pricers to be added ASAP). I explained to Doug that these were a select # of hand picked stores to co-op buydown (not across the board), so we could monitor the results, as well as the fact, that the main thrust of this program was designed for trial and consumer awarnes vs. just having an attractive price point on Salem.. Doug expressed his liking to this and felt that within these "Green Zone" areas, the select number of stores should be expanded to neighboring stores within a few block radius, which I told him was our intent.Doug restated the support of the Green Team people out in these areas doing consumer offers / name generation. These stores were well

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- informed and the retailers knew the Salem product differences and which smokers should be offered, what type of Salems. I should note however, that the language barrier was much less of a factor in these outlets, where the retailers seemed to speak clearer English and had a somewhat higher level of intelligence. Doug really seemed to like the fact that the program: #1) was already up and running 2) level of presence along with an additional display for the program was superior. 3) The product was being targeted towards the right individuals by the retailers.
- We identified the need, again for Salem soft advertising (as you know, they are working on).
- We discussed the importance of having a full line of distribution of Base soft styles along with the box styles, so inadvertently box , would not be substituted. ( Here 2 stores visited were missing some soft pack styles.)- (V/M'd appropriate rep)
- Also, discussed the need again, for more impactful Box advertising. Doug reiterated again how well the roll tape stands out and I expressed the need for any additional possible.

Overall, Doug was very interested in the progress of the "Green Zone" area program and will be touching base with us during early January or at the Annual Meeting. In my opinion it was a productive, learning filled day.

If you should need any additional information, please let me know.

Sincerely,

*John Feltman*

cc: Steve Grossberg

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